## Message Text

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PAGE 01 MUSCAT 00905 120624Z ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 TRSE-00 OMB-01 AID-05 IGA-02 ACDA-07 XMB-02 FRB-03 IO-13 /096 W

-----120630Z 041048 /10

R 120400Z JUN 77

FM AMEMBASSY MUSCAT

TO SECSTATE WASHDC 3329

INFO AMEMBASSY ABU DHABI

AMEMBASSY AMMAN

AMEMBASSY CAIRO

AMCASSY DAMASCUS

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

AMEMBASSY SANA

AMEMBASSY TRIPOLI

USINT BAGHDAD

USDOC WASHDC

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E.O. 11652: N/A

TAGS: BEXP EALR MU

SUBJECT: ARAB BOYCOTT: POSITIVE CERTIFICATION

REF: (A) MANAMA 1219; (B) STATE 133698

1. THE OMANI GOVERNMENT HAS INFORMED BANKS IN OMAN THAT POSITVE CERTIFICATES OF ORIGIN ARE ACCEPTABLE. MANY ITEMS HAVE ALREADY BEEN IMPORTED HERE USING POSITVES LANGUAGE IN LETTERS OF CREDIT. THE OMANIS CONTINUE TO INSIST THAT SHIPPING DOCUMENTS STATE THAT THE CARRYING VESSEL DOES NOT FLY THE ISRAELI FLAG, LIMITED OFFICIAL USE

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AND IS NOT STOPPING AT ISRAELI PORTS. IN CERTAIN CASES, THE OMANGOV INSISTS THAT LETTERS OF CREDIT BE NOTARIZED BY AN ARAB CONSULATE IN THE COUNTRY OF ORIGIN.

2. OMANGOV ENFORCEMENT OF THE BOYCOTT IS NOT RIGID AS LONG AS THE GOVERNMENT IS NOT PUBLICLY EMBARRASSED. FIRMS ARE STILL ABLE TO IMPORT GOODS WITHOUT PROPER BOYCOTT DOCUMENTATION UPON

PAYMENT OF A TWO PERCENT PENALTY FEE. INTERNATIONAL TENDERS NO LONGER USE ANY SORT OF BOYCOTT LANGUAGE. THE OMANGOV HAS NO INTENTION OF TIGHTENING PROCEDURES ON AMERICAN IMPORTS UNLESS THIS WAS A GENERAL TREND THROUGHOUT THE ARAB WORLD. THE OMAN GOV HAS MADE NO PUBLIC COMMENT ABOUT FEDERAL OR STATE ANTIBOYCOTT LEGISLATION. (IT IS NOTEWORTHY THAT NO ONE FROM CUSTOMS DEPARTMENT OF THE ROYAL OMANI POLICE WHICH IS RESPONSIBLE FOR ADMINISTERING THE BOYCOTT, IS ATTENDING THE ARAB LEAGUE CONFERENCE.)

3. WE AGREE WITH EMBASSY MANAMA'S OBSERVATIONS ON THE BRITISH BANKING ROLE IN BOYCOTT MATTERS. THE HEAD OF THE OMANI BRANCH OF THE BRITISH BANK OF THE MIDDLE EAST ADMITTED THAT THE BBME FURNISHED CONSIDERABLE ASSISTANCE TO THE COMMERCE MINISTRY ON BOYCOTT GUIDELINES FOR BANKS, AND THEIR CHIEF AIM WAS TO KEEP BOYCOTT LANGUAGE THE SAME AS IN OTHER GULF STATES. THE BBME NOW ONLY DOES BUSINESS WITH NEW JERSEY AND WASHINGTON BANKS, ON THE GOUNDS THAT CALIFORNIA OHIO, ILLINOIS AND OTHER STATE LAWS EFFECTIVELY PROHIBIT BANKS IN THOSE STATES FROM PROCESSING OMANI L/CS. FYI: THIS IS NOT ALTOGETHER TURE: CITIBANK CONTIMUES TO PROCESS LETTERS OF CREDIT FROM MUSCAT WITHOUT DIFFICULTY. END FYI. THE BRITISH BANKS DO NOT SEEM MOTIVATED TO OVERCOME BOYCOTT OBSTACLES IN DOING BUSINESS WITH THE U.S. AND THEIR BANKERS COMMENT ON THE DOWNWARD DRIFT IN THE U.S. SHARE OF OMANI TRADE. SIZER

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## Message Attributes

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Subject: ARAB BOYCOTT: POSITIVE CERTIFICATION

TAGS: BEXP, EALR, ETRD, EWWT, MU

To: STATE Type: TE

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